

Ground-Breaking Legal Support Boost For UK Insurtech Sector

- UK Insurtech companies attracted \$1.7bn in investment (including M&A) in 2018 according to Dealroom data
- Insurtech Board creates a suite of free startup-friendly legal documents for insurtech companies

London, 13th March 2019: The UK Insurtech Board - an initiative facilitated by [Tech Nation](#) as part of the Fintech Delivery Panel (FDP) convened by HM Treasury - has announced the launch of a new toolkit of legal documents, designed to make it easier for ambitious insurance technology startups to forge commercial relationships with corporate partners.

Having identified that early stage insurtech ventures frequently lack legal support or consistent requirements when entering discussions with potential corporate partners, the Insurtech Board has created a suite of startup- friendly legal documents, which can now be downloaded at no cost from the [Tech Nation](#) website. Produced in partnership with leading law firms, Dentons and Simmons & Simmons, the documents aim to remove some of the legal and compliance-related obstacles that often hinder the ability of startups to do business with large, well established insurance companies.

Created to conform to the standards expected within the insurance industry, the documents cover off many of the contractual and commercial relationship issues that arise in the course of negotiations with potential partners. They include:

- A Non Disclosure Agreement
- A Terms of Business Agreement
- An Appointed Rep Agreement
- Amendments for a Managing General Agent Agreement

Commenting on the initiative, **Tech Nation Chair Eileen Burbidge**, who is also HM Treasury Envoy for Fintech and chairs the FDP, said the documents aimed to provide an important legal resource for early stage Insurtech companies. “We’ve been encouraged by ever-growing willingness and interest from insurance companies to work with innovative startups as a means of driving innovation, but it’s clear that standard legal issues can stand in the way of collaboration. The insurance sector has its own contractual norms and practices and without legal support, early stage businesses are disadvantaged in drawing up and negotiating documents that meet the expectations of potential partners. This new toolkit addresses that problem. Conforming to industry standards, they can be downloaded free of charge and used as a legal underpinning to negotiations.”

Coordinated by Tech Nation and supported by HM Treasury, the Insurtech Board was established in 2018, with a mission to help identify and solve any problems that result in friction for Insurtech innovation. It brings together representatives from across the insurance industry, including leading incumbents, insurtechs, brokers and trade bodies to collaboratively solve real problems that insurtech firms face in the UK. In particular, the board has set out to focus on talent, knowledge sharing, promoting best practice, supporting innovation initiatives, and making the UK a sustainable and attractive place to start an insurtech business.

The Insurtech Board revealed the details of this new toolkit at a high profile industry event which brought together panelists Becky Morrison, Deputy Director of Insurance and Pensions Markets at HM Treasury; Martin Mankabady, a partner at law firm Dentons; Pollyanna Deane, a partner at Simmons & Simmons; Phoebe Hugh, CEO of policy management app company, Brolly; Freddy Macnamara, CEO of insurtech company, Cuvva; and Lidia Bozhevolnaya, Group Head of Strategy and Corporate Development at insurer, Hiscox.

A Burgeoning Sector

According to Dealroom data UK Insurtech companies attracted \$1.7bn in investment (including M&A) in 2018, illustrating the enormous interest in a sector that is revolutionising financial services.

Within the broader fintech arena which attracted \$30.1bn in 2018¹, Insurtech has demonstrated its potential to create new and disruptive business models that can challenge incumbents. But that is only one part of a much bigger picture. Insurtech has demonstrated its potential to create new and disruptive business models that can challenge incumbents. But that is only one part of a much bigger picture. Today, most insurtech activity is focused on developing the technologies that will enable established players in the market to transform their back office processes and recast their relationships with customers.

There is, therefore, huge scope for insurtech innovators to work with incumbent players through partnerships and collaborative arrangements. That is already happening and a quiet revolution is underway across the insurance industry.

The Insurtech Board panelists stressed the importance of collaboration and the importance of providing legal support.

Will Thorne, Chair of the Insurtech Board and Innovation Lead at the Channel Syndicate, said: I am proud to chair this industry group and am delighted we have now launched the toolkit. Insurtechs operating in the UK will benefit directly from the output of this collaboration between startups and incumbents. The Board will continue to seek solutions to the most pressing

¹ Dealroom data

problems in the UK insurance sector, always striving to keep insurtechs at the heart of our mission.

Meera Last, Programme Manager at Tech Nation, said: “When I joined the secretariat of the Insurtech Board, I was keen to ensure the group delivered some tangible work that would directly support the UK’s growing insurtech ecosystem. Created in the hope that insurtechs will be more able to seek meaningful partnerships with large incumbents, I am really hopeful that these documents will be a useful resource for all.”

Lidia Bozhevolnaya, Head of Strategy & Corporate Development at Hiscox, said: “Doing something new and innovative usually requires a flexible approach, where traditional corporate tools and processes often come up too cumbersome/ heavy handed. It is therefore delightful to see that there is now a whole toolbox of onboarding documents available that are targeted at facilitating collaboration between us, insurers, and insurtech start-ups. These template documents serve as an excellent starting point for getting various agreements in place. They give everybody a head start to the process.”

Phoebe Hugh, CEO at Brolly, said: “We established these standards to support and encourage the development of insurance startups in the UK, by developing practical guides and documentation to navigate the regulatory and incumbent landscape. I’m delighted to be supporting this industry-led initiative.”

Martin Mankabady, Partner at Dentons, said: “The standard documents cover all the key issues to be considered and represent a balanced starting point for negotiation; it is hoped that the documents will smooth the path of such negotiations and, in the process, reduce friction, time and cost. This will enable the relevant parties to focus on the key commercial issues. This is one example of how key stakeholders have risen to the challenge of the UK Government to make the UK a centre of excellence for Insurtech; moreover, the stakeholders are committed to making the UK not only one of the most attractive places for investment but also one of the easiest places in which to do business.”

Pollyanna Deane, Partner at Simmons & Simmons, said: The world of insurance can be pretty arcane and steeped in jargon. As the Insurtech Board, we wanted to help new entrants. Too often, the start-ups feel at a disadvantage, through lack of knowledge or lack of clout. The insurance industry is familiar with standard forms. These agreements draw on collective experience and I believe, provide a reasonable starting point for any negotiation. As they gain familiarity, it should be easier to see positions that are being taken contrary to common practice or which force substandard terms on a party.

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